



U.S. Department of Justice

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PRESS RELEASE

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California-Based Taleo Corp. Agrees to Pay U.S. \$6.49 Million To Resolve False Claims Act Allegations

WASHINGTON - Taleo Corp. has agreed to pay the United States \$6.49 million to resolve allegations that it knowingly caused false claims to be submitted to the Transportation Security Administration (TSA) of the Department of Homeland Security (DHS), the Justice Department announced today.

In 2002, CPS Human Resource Services contracted with TSA to perform human resource services. Taleo, which is based in Dublin, Calif., subcontracted with CPS to provide supporting software. Taleo's subcontract stated that Taleo would charge its commercial list rates with certain discounts.

The United States alleged that Taleo's commercial list rates were usually based on a customer's actual number of employees, but that Taleo charged TSA a higher rate that was not based on the agency's actual number of employees. If Taleo had followed the normal procedure, the rate TSA was charged would have been lower.

The government's investigation was conducted by the U.S. Attorney's Office for the District of Columbia, the Justice Department's Civil Division, and the DHS Office of Inspector General.

"This settlement demonstrates our office's continued commitment to target companies that 'pad' their prices in an attempt to 'pad' their pockets," said Ronald C. Machen Jr., U.S. Attorney for the District of Columbia. "This office is committed to protecting the public and recovering funds that were obtained through misrepresentations, fraud, and abuse."

"Those who do business with federal agencies must be honest and play by the rules," said Tony West, Assistant Attorney General for the Civil Division of the Department of Justice. "We are committed to protecting taxpayer dollars by pursuing contractors who overcharge the government."

This settlement resolves allegations filed by a former Taleo employee under the whistleblower provisions of the False Claims Act. The case, *United States ex rel. Hetland v. Taleo Corp.*, was filed in the U.S. District Court for the District of Columbia.

The settlement is part of the government's aggressive efforts to combat fraud through the use of powerful enforcement tools such as the False Claims Act. The U.S. Attorney's Office for the District of Columbia, working with the Department of Justice's Civil Division, has pursued cases under the False Claims Act generating more than \$125 million in recoveries this year alone.

In announcing the agreement, U.S. Attorney Machen praised those who worked on the investigation, including Special Agent Paul Weare, formerly of the Department of Homeland Security Office of Inspector General, Trial Attorney Tom Lederman, of the Department of Justice Civil Division, and Assistant U.S. Attorney Darrell Valdez.

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